GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2964
ANSWERED ON:02.08.2002
DECLINE OF EXPORT ORIENTED TEXTILE UNITS
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Will the Minister of TEXTILES be pleased to state:

(a) whether the export oriented units in the textile sector have posted high negative growth;

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the steps, proposed to be taken by the Government to assist these units?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES SHRI BASANAGOUDA R. PATIL (YATNAL)

(a) & (b) The details of production of spun yarns and fabric from export oriented units in cotton / man-made fibre textile mills (Non-SSI) during the last four years and current year April, 2002 are given below.

Period	Production of Spun Yarn (Mn. kg.)	Production of fabric (Mn. sqm.)
1998-1999	299	85
1999-2000	349	111
2000-2001	366	117
2001-2002 (P)	333	122
2002-2003 (April)	30	10
2001-2002 (April)	28	11

The production of spun yarn & fabric by 100% EOU`s has shown compounded annual growth rate (CARG) of 3.7% and 12.8% respectively during the last four years. The production of spun yarn and fabric has however, declined by about 7.14% and 9.09% during April, 2002 due to recessionary trend in the domestic and international market.

(c) The Government has taken various steps from time to time to increase exports and thus improve the functioning of textile units including export-oriented units. Some of the important measures are :-

(i) Decentralisation of power for grant of approval for setting up of 100% EOU with few exceptions.

(ii) Provisions regarding sub-contracting in respect of EOU/EPZ/SEZ units as given in Exim Policy have recently been modified anc the requirements prescribed in the Exim Policy such as job-worker being a Central Excise Registrant, compulsory carrying out firs processing in the unit before sending the goods for job work, and forwarding the sample to the Range Officer have been withdrawn.

(iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1.4.99 to facilitate the modernization and upgradation of this sector so that it can become more competitive in international trade. Inter Ministerial Committee to resolve the issues pertaining to assistance under TUFS has been constituted.

(iv) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%.

(v) Technology Mission for Cotton has been launched for initiating focused steps for boosting production, productivity and quality of cotton for manufacture and export of competitive downstream textile products.

(vi) Foreign equity participation upto 100% through automatic route is allowed in the textile sector.